Claims:

Please amend claims 8, 13 and 14 as follows.

Claims 1-7 (Canceled)

8. (Currently Amended) A network element for a telecommunications network, comprising

a first interface unit for receiving standard PCM signals in the network element;

multiplexing means for multiplexing said PCM signals on a time-division basis into a transmission frame, the total capacity of a payload portion of the frame essentially corresponding to the capacity of N PCM signals, wherein the multiplexing means are provided with configuring and allocating means for dividing the total capacity of the payload portion between at least two parts of variable capacity, wherein each part is configured to be allocated a desired portion of the total capacity of the payload portion in accordance with the current transmission requirement, and for allocating a part with the desired capacity to at least one traffic source from a group in which a number of PCM signals constitutes a first traffic source and a number of packet data streams constitutes a second traffic source; and

a second interface unit for receiving a packet data stream, said second interface unit comprising rate adaptation means for adapting bit rate of the packet data stream to correspond to the capacity of the payload portion allocated to the packet stream to correspond to the capacity of the payload portion allocated to the packet stream, the output of said rate adaptation means being directly connected to said multiplexing means,

wherein the standard PCM signals comprise first level signals in a Plesiochronous Digital Hierarchy.

9. (Original) A network element as claimed in claim 8, wherein a portion of the total capacity of the transmission frame corresponding to the capacity required by one PCM signal multiplied by an integer is configured to be allocated to all traffic sources using the same transmission frame.

10. (Original) A network element as claimed in claim 8, at least one of the traffic sources constituting by an ATM cell stream.

11. (Original) A network element as claimed in claim 8, wherein bits of each part are configured to be interleaved in the payload portion and the bits of the payload portion are configured to comprise an indication bit-specifically whether they are allocated for the use of PCM signals or a packet data stream.

12. (Original) A network element as claimed in claim 10, the capacity of the payload portion being entirely allocated for the use of one packet data stream.

13. (Currently Amended) A network element for a telecommunications network, configured to:

receive standard PCM signals in a first interface unit of the network element;

multiplex said PCM signals on a time-division basis into a transmission frame, the total capacity of the payload portion of the frame essentially corresponding to the capacity of N PCM signals, wherein the multiplexing means are configured to divide the total capacity of the payload portion between at least two parts of variable capacity, wherein each part is configured to be allocated a desired portion of the total capacity of the payload portion in accordance with the current transmission requirement, and to allocate a part with the desired capacity to at least one traffic source from a group in which a number of PCM signals constitutes a first traffic source and a number of packet data streams constitutes a second traffic source; and

receive a packet data stream in a second interface unit of the network element, the second interface unit configured to adapt the bit rate of the packet data stream to correspond to the capacity of the payload portion allocated to the packet stream directly before multiplexing,

wherein the standard PCM signals comprise first level signals in a Plesiochronous Digital Hierarchy.

14. (Currently Amended) A method for multiplexing in a telecommunications network, the method comprising

receiving standard PCM signals in a first interface unit of the network element, the standard PCM signals being first level signals in a Plesiochronous Digital Hierarchy;

multiplexing said PCM signals on a time-division basis into a transmission frame, the total capacity of the payload portion of the frame essentially corresponding to the capacity of N PCM signals;

dividing the total capacity of the payload portion between at least two parts of variable capacity, wherein each part is allocated a desired portion of the total capacity of the payload portion in accordance with the current transmission requirement;

allocating a part with the desired capacity to at least one traffic source from a group in which a number of PCM signals constitutes a first traffic source and a number of packet data streams constitutes a second traffic source; and

receiving a packet data stream in a second interface unit of the network element, said second interface unit adapting bit rate of the packet data stream to correspond to the capacity of the payload portion allocated to the packet stream directly before multiplexing.

15. (Original) A method as claimed in claim 14, further comprising allocating a portion of the total capacity of the transmission frame corresponding to the capacity required by one PCM signal multiplied by an integer to all traffic sources using the same transmission frame.

16. (Original) A method as claimed in claim 14, further comprising interleaving bits of each part in the payload portion and indicating for the bits of the payload portion bit-

specifically whether the bits are allocated for the use of PCM signals or a packet data stream.

17. (Original) A method as claimed in claim 14, wherein at least one of the traffic sources is constituted by an ATM cell stream.

18. (Original) A method as claimed in claim 14, wherein the capacity of the payload portion is entirely allocated for the use of one packet data stream.